

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
- against -	:	07 Civ. 3896 (PKC)
	:	
Empire Development Group LLC, Empire	:	
Development Group Fund I, Castle Hill Ventures,	:	
Felix Strashnov a/k/a Felix Stratton and Michael	:	
Ayngorn	:	
	:	
Defendants,	:	
	:	

**Defendant Empire Development Group LLC's Opposition
to Order to Show Cause**

Empire Development Group LLC (the "Corporation"), a Delaware corporation, by its undersigned counsel, opposes Plaintiff's Order and moves this Court for an order modifying the temporary restraining order issued May 18, 2007. The grounds for granting a modification of the Order are:

1. The Corporation was not served until the afternoon of May 18, 2007. The Corporation is actively reviewing its records and collecting relevant facts in order to assist in its defense.
2. The Order imperils the interests of the Corporation's shareholders by actively preventing the sale of the existing corporate property located at 2359 Royce Street, Brooklyn, NY, which property is currently listed for sale.

3. The Order imperils the interests of the shareholders of the Corporation by preventing the completion of the development of existing corporate real estate located at 2 Harris Place, Fairlawn, NJ, potentially resulting in a total loss of investment.

4. This is a complex legal matter and lawyers are essential to the presentation of it. The Corporation does not believe that it could achieve a fair result at the preliminary injunction hearing were it denied the ability to retain counsel. Courts faced with similar circumstances have shown that the fairness of the proceeding is a central concern. See S.E.C. v. Dowdell, 175 F. Supp. 2d 850, 855-56 (W.D. Va. 2001) citing SEC v. Duclaud Gonzalez de Castilla, 170 F. Supp. 2d 427 (S.D.N.Y. 2001).

For the foregoing reasons, Defendant respectfully opposes the Order to Show Cause and requests modification of the Order accordingly.

MCCORMICK & O'BRIEN LLP

By: 
Liam O'Brien (LO- 3930)

42 West 38th Street, Suite 701
New York, New York 10018
(212) 286-4471

(Counsel for Defendant
Empire Development Group)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

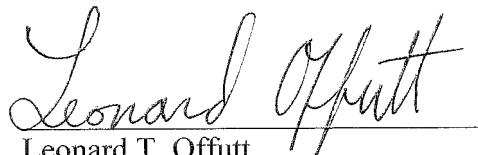
Empire Development Group LLC, Empire
Development Group Fund I, Castle Hill Ventures,
Felix Strashnov a/k/a Felix Stratton and Michael
Ayngorn

Defendants,

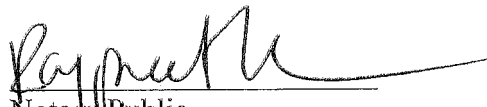
Affidavit of Service
07 Civ. 3896 (PKC)

I, Leonard T. Offutt, declare under penalty of perjury that I have served a copy of the attached Defendant Empire Development Group, LLC's Opposition to Order to Show Cause by facsimile transmission to (212)336-1322 to Plaintiff's counsel, Michael Paley, Esq., Securities and Exchange Commission, 3 World Financial Center, Suite 400, New York, NY 10281 on May 25, 2007

May 25, 2007
New York, New York


Leonard T. Offutt
42 West 38th Street, 7th Floor
New York, New York 10018

Sworn to me this
25th day of May, 2007


Notary Public

RAJPREET KOCHHAR, Esq
Notary Public, State of New York
No. 02K06111043
Qualified in New York County
Commission Expires July 01, 2008

June

**United States District Court
Southern District of New York**

-----X
Securities and Exchange Commission,

Plaintiff,

-against-

**Empire Development Group LLC,
Empire Development Group Fund I LLC,
Castle Hill Ventures, LLC, Felix Strashnov
a/k/a Felix Straton and Michael Ayngorn,**

Defendants.
-----X

**Verified Written
Accounting
Felix Strashnov**

07 Civ. 3896 (PKC)

Felix Strashnov, being duly sworn, deposes and says:

1. I am 36 years of age and am a Managing Partner of Empire Development Group, LLC.

2. Request: All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of such Defendant, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount.

Response:

- a. I am the joint owner of shares in a co-op seasonal bungalow located on Central Avenue in Bethel, New York. It is worth approximately \$12,000 and was purchased in 2001.
- b. My family and I benefit from the use of a Land Rover. I am party to a car lease for the Land Rover, which has monthly payments of approximately \$1100. The payments are made by Defendants Empire Development

Group LLC and Empire Development Group Fund I, LLC. The car is in Brooklyn, New York.

- c. I have one brokerage account: Merrill Lynch Retirement Account No: 6JC-13611: IRA valued at approximately \$2170 and pension plan valued at approximately \$8630. Both my IRA and pension plan were started in 1999 and were never sold, moved or changed.

3. Request: All money, property, assets and income received by such Defendant for his direct or indirect benefit from any other Defendant, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. In total since 2004, I have received approximately \$320,000 in salary from Defendant Empire Development Group, LLC and Defendant Empire Development Group Fund I, LLC. I have spent all of my salary.

4. Request: All money, property, assets and income received by such Defendant for the Defendant's direct or indirect benefit from any investor in, or shareholder of, Castle Hill, EDG, and/or EDGFI, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. I received no money, assets, property or income directly or indirectly from any of the investors other than those listed in this accounting.

5. Request: The names and last known addresses of all bailees, debtors and other persons and entities that currently are holding the assets, funds or property of such Defendant.

Response:

- a. There are no persons holding any assets, funds or property on my behalf other than those listed in this accounting.

6. Request: All assets, funds, securities, investments and real or personal property purchased or otherwise obtained by such Defendant, or any other person controlled by them, at any time from October 1, 2004 through the date of such accounting, and the amount, disposition and current location of each of the items listed.

Response:

- a. I have an ownership interest in Castle Hill Ventures, LLC and an ownership interest in Empire Development Group, LLC. I have purchased no additional securities, investments or property since October 2004.

7. Request: All assets, funds, securities, investments and real or personal property held by such Defendant, or any other person controlled by them, on behalf of: (i) Castle Hill, EDG and/or EDGFI and/or (ii) investors in, or shareholders of, Castle Hill, EDG and/or EDGFI from October 1, 2004 to the date of the accounting and the disposition of each of the items listed.

Response:

- a. I nominally hold the property located at 2 Harris Place, Fairlawn, New Jersey. It is the property of Empire Development Group Fund I, LLC, but for purposes of facilitating the purchase of the property, I agreed to have

the property in my name. I am not holding any other assets, funds, securities, investments or property on behalf of the other Defendants.

8. Request: List of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and the name and number on the account), telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, World Wide Web sites or Universal Records Locators, Internet bulletin board sites, online interactive conversational spaces or chat rooms, Internet or electronic mail service providers, street addresses, postal box numbers, safety deposit boxes, and storage facilities used or maintained by them or under their direct or indirect control, at any time from October 1, 2004 to the present.

Response:

a. I have one brokerage account as listed elsewhere in this accounting:

Merrill Lynch Retirement Account No: 6JC-13611.

b. My telephone and cell phone numbers are: 800-918-8711
718-252-3220
718-968-2828
917-593-4108

I believe I had some subnumbers at work, but I do not recall these numbers.

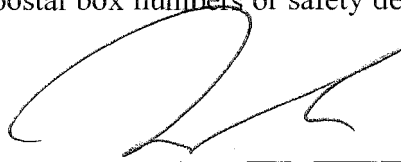
c. My facsimile number is 718-252-3211. I do not have a pager number.

d. To the best of my knowledge, my email addresses are
fstraton1@yahoo.com
fstraton1@google.com
fstraton@Empirefund.com

e. To the best of my knowledge, I have no World Wide Web or Universal Record Locators.

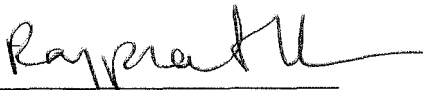
f. I do not have any Internet bulletin board sites, online interactive conversational spaces or chat rooms.

- g. My Internet service provider is Cablevision. My electronic mail service providers are Google and Yahoo.
- h. There are no storage facilities, postal box numbers or safety deposit boxes under my name.



FELIX STRASHNOV

Sworn to before me this
25 day of May 2007



NOTARY PUBLIC

RAJPREET KOCHHAR, Esq
Notary Public, State of New York
No. 02K06111043
Qualified in New York County
Commission Expires July 01, 2008
June

**United States District Court
Southern District of New York**

-----X
Securities and Exchange Commission,

Plaintiff,

-against-

**Empire Development Group LLC,
Empire Development Group Fund I LLC,
Castle Hill Ventures, LLC, Felix Strashnov
a/k/a Felix Straton and Michael Ayngorn,**

Defendants.
-----X

**Verified Written
Accounting
Michael Ayngorn**

07 Civ. 3896 (PKC)

Michael Ayngorn, being duly sworn, deposes and says:

1. I am 35 years of age and am a Managing Partner of Empire Development Group, LLC.
2. Request: All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of such Defendant, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount.

Response:

- a. I own a 1976 Corvette, the value of which is unknown. My family and I benefit from the use of two cars, an Infiniti and a Honda, both of which are leased by my wife. Defendants Empire Development Group Fund I, LLC and Empire Development Group have made the monthly payments on both cars. The Infiniti has monthly payments of approximately \$740 and the Honda has monthly payments of approximately \$540. The Corvette, Infiniti and Honda are located in Brooklyn, New York.
3. Request: All money, property, assets and income received by such Defendant for his direct or indirect benefit from any other Defendant, at any time from October 1, 2004 through the

date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. In total since 2004, I have received approximately \$710,000 in salary from Defendant Empire Development Group, LLC and Defendant Empire Development Group Fund I, LLC. I have spent all of my salary.

4. Request: All money, property, assets and income received by such Defendant for the Defendant's direct or indirect benefit from any investor in, or shareholder of, Castle Hill, EDG, and/or EDGFI, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. I received no money, assets, property or income directly or indirectly from any of the investors other than those listed in this accounting.

5. Request: The names and last known addresses of all bailees, debtors and other persons and entities that currently are holding the assets, funds or property of such Defendant.

Response:

- a. There are no persons holding any assets, funds or property on my behalf other than those listed in this accounting.

6. Request: All assets, funds, securities, investments and real or personal property purchased or otherwise obtained by such Defendant, or any other person controlled by them, at any time from October 1, 2004 through the date of such accounting, and the amount, disposition and current location of each of the items listed.

Response:

- a. I have an ownership interest in Castle Hill Ventures, LLC and an ownership interest in Empire Development Group, LLC. I have purchased no additional securities, investments or property since October 2004.

7. Request: All assets, funds, securities, investments and real or personal property held by such Defendant, or any other person controlled by them, on behalf of: (i) Castle Hill, EDG and/or EDGFI and/or (ii) investors in, or shareholders of, Castle Hill, EDG and/or EDGFI from October 1, 2004 to the date of the accounting and the disposition of each of the items listed.

Response:

- a. I nominally held the property located at 2359 Royce Street, Brooklyn, New York. It is the property of Empire Development Group Fund I, LLC, but for purposes of facilitating the purchase of the property, I agreed to have the property in my name. In 2006, I transferred the title of the house to my wife in an attempt to avoid mechanic liens. I am not holding any other assets, funds, securities, investments or property on behalf of the other Defendants.

8. Request: List of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and the name and number on the account), telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, World Wide Web sites or Universal Records Locators, Internet bulletin board sites, online interactive conversational spaces or chat rooms, Internet or electronic mail service providers, street addresses, postal box numbers, safety deposit boxes, and storage facilities used or maintained by them or under their direct or indirect control, at any time from October 1, 2004 to the present.

Response:

- a. My telephone and cell numbers are: 347-713-4397
800-918-8711
718-818-8691


I believe I had some subnumbers at work, but I do not recall these numbers.

- b. My facsimile number is 718-252-3211. I do not have a pager number.
- c. To the best of my recollection, my only email address is
mayngorn@empirefund.com.
- d. To the best of my recollection, I have no World Wide Web or Universal Record Locaters.
- e. I do not have any Internet bulletin board sites, online interactive conversational spaces or chat rooms.
- f. My Internet provider is Cablevision. My electronic mail service provider is Yahoo.
- g. There are no storage facilities, postal box numbers or safety deposit boxes under my name.


MICHAEL AYNGORN

Sworn to before me this
25th day of May 2007


NOTARY PUBLIC

RAJPREET KOCHHAR, Esq
Notary Public, State of New York
No. 02K06111043
Qualified in New York County
Commission Expires July 01, 2008


**United States District Court
Southern District of New York**

-----X
Securities and Exchange Commission,

Plaintiff,

-against-

**Empire Development Group LLC,
Empire Development Group Fund I LLC,
Castle Hill Ventures, LLC, Felix Strashnov
a/k/a Felix Straton and Michael Ayngorn,**

Defendants.
-----X

**Verified Written
Accounting
Empire Development Group, LLC**

07 Civ. 3896 (PKC)

I, Felix Strashnov, being duly sworn, deposes and says:

1. I am a Managing Partner and a Founder of Empire Development Group, LLC ("Empire"). As such, I am knowledgeable about Empire's assets, liabilities and general financial condition.

2. Request: All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of such Defendant, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount.

Response:

a. Empire has one checking account No. 997014176 with Citibank, with an approximate current balance of \$1,000.

b. Empire's liabilities are as follows:

i. Rent for Office 1795 Coney Island Avenue, Brooklyn, New York 11230:
approximately \$4386 per month

ii. Garage: approximately \$450 a month

- iii. Health Insurance: approximately \$2300 a month
- iv. Office Equipment and Supplies: approximately \$300 a month
- v. Salaries: approximately \$15,000 - \$20,000 a month for each of Felix Strashnov and Michael Aynorn
- vi. Office Cleaning Service: approximately \$400 a month
- vii. Automobile Expenses: approximately \$3100 a month
- viii. Secretary Compensation: approximately \$2000 a month

These monthly expenses are shared with Defendant Empire Development Group Fund I, LLC.

3. Request: All money, property, assets and income received by such Defendant for his direct or indirect benefit from any other Defendant, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. Empire did not receive any money, property, assets or income from any of the other Defendants.

4. Request: All money, property, assets and income received by such Defendant for the Defendant's direct or indirect benefit from any investor in, or shareholder of, Castle Hill, EDG, and/or EDGFI, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. Since 2004, Empire and Defendant Empire Development Group Fund, I LLC have received approximately \$2,900,000 in total from investors. This has all been

spent on properties located in Fairlawn, New Jersey and Brooklyn, New York as well as salaries, expenses and working capital.

5. Request: The names, addresses and amount invested by each investor in EDG, EDGFI and Castle Hill from their inception.

Response:

- a. To the best of my knowledge the names, addresses and amounts invested by Empire's and Defendant Empire Development Fund I, LLC's investors are attached hereto as Exhibit A.

6. Request: The names and last known addresses of all bailees, debtors and other persons and entities that currently are holding the assets, funds or property of such Defendant.

Response:

- a. There are no persons holding any assets, funds or property on Empire's behalf other than those listed in this accounting.

7. Request: All assets, funds, securities, investments and real or personal property purchased or otherwise obtained by such Defendant, or any other person controlled by them, at any time from October 1, 2004 through the date of such accounting, and the amount, disposition and current location of each of the items listed.

Response:

- a. Empire has obtained the assets set forth in this accounting during the time period from October 1, 2004 until the present.

8. Request: All assets, funds, securities, investments and real or personal property held by such Defendant, or any other person controlled by them, on behalf of: (i) Castle Hill, EDG

and/or EDGFI and/or (ii) investors in, or shareholders of, Castle Hill, EDG and/or EDGFI from October 1, 2004 to the date of the accounting and the disposition of each of the items listed.

Response:

- a. Empire is not holding any other assets, funds, securities, investments or property on behalf of the other Defendants. The assets set forth in this accounting are being held on the behalf of Empire's investors.

9. Request: List of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and the name and number on the account), telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, World Wide Web sites or Universal Records Locators, Internet bulletin board sites, online interactive conversational spaces or chat rooms, Internet or electronic mail service providers, street addresses, postal box numbers, safety deposit boxes, and storage facilities used or maintained by them or under their direct or indirect control, at any time from October 1, 2004 to the present.

Response:

- a. As set forth elsewhere in this accounting, Empire has one checking account No. 997014176 with Citibank.
- b. To the best of my knowledge, Empire's telephone numbers are 800-918-8711 and 718-252-3220. Empire's facsimile number is 718-252-3211. I believe Empire had some subnumbers, but I do not recall these numbers.
- c. Empire's general email address is Admin@empirefund.com. Empire does not have a pager number.

- d. Empire's World Wide Web address is empirefund.com. To the best of my knowledge, Empire does not have any other Internet sites, online interactive conversational spaces or chat rooms.
- e. Empire's Internet service provider is One Communications. Empire's electronic mail service provider is Yahoo.
- f. Empire has no storage facilities, postal box numbers or safety deposit boxes in its name.



FELIX STRASHNOV
Managing Partner

Sworn to before me this
25 day of May 2007


NOTARY PUBLIC

RAJPREET KOCHHAR, Esq
Notary Public, State of New York
No. 02K06111043
Qualified in New York County
Commission Expires July 01, 2008
June

EXHIBIT A

EDG table

5/16/2007

Last Name	First Name	Street Address	City	State
Jaret	Alec	Brookline	MA	02445
Yovosin	Thomas J.	83 Arrowhead Circle	Ashland	MA
Fitzgibbon	Robert T.	C/O Proven Data Solutio	Walpole	MA
Carter	George	509 Winterberry Lane	Dubury	MA
Briggs	James R.	94 Carver Lane	Narragansett	RI
Bedford Jr.	Clay P.	557 Route 202 Ayers La	Barrington	NH
Salomon	Dr. Jeffrey	10 Carriage Hill Road	Woodbridge	CT
Imperial	Peter F.	406 Hillside Avenue	Nutley	NJ
LUTJEN	THEODORE	29 EVANS PLACE / 733	POMPTON PLAINS / B	NJ / FL
Dardaris	Michael P.	1933 Teaberry Avenue	Williamstown	NJ
Kolb	William A.	49 Patrician Drive	Toms River	NJ
Ronde	Richard R.	7 Madsen Lane	East Northport	NY
Hubbard	George W.	55 B. NORTH FERRY R	Shelter Island	NY
Banks	William C.	Longwood at Oakmont, 2	Verona	PA
Valent	William G.	18 Gephart Avenue	Bedford	PA
Howell	James C.	608 Sherwood Drive	Carlisle	PA
PAULES	ROY E.	753 COUNTRY CLUB R	YORK	PA
Dunkelberg	William C.	515 Sabine Circle	Wynnewood	PA
Freedman/Trust	Philip	Plaza Towers 2350 Trem	Philadelphia	PA
Ditoro Jr.	James V.	2845 S. Sydenham Stree	Philadelphia	PA
BIELICKI JR.	JAMES A.	202 HAYSTACK LANE	WILMINGTON	DE
Moore	William H.	436 Russell Avenue	Gaithersburg	MD
Berig	Harvey G.	6921 Scarlet Oak Drive	Elkridge	MD
Ervin	Wilbur S.	1009 Leslie Road	Harve De Grace	MD
Little	Jerry A.	1989 Northmont Drive	Asheboro	NC
Jones	Edward L.	116 Maplewood Avenue	Thomasville	NC
Raynor Jr.	Bruce B.	3916 Watauga Drive	Greensboro	NC
Ilsenrich	Dr. Markus	201 Veranda Court	Raleigh	NC
HELMS	THOMAS C.	610 WINGRAVE DRIVE	CHARLOTTE	NC
Haney	James A.	308 East K Street	Envin	NC
Evans	Harry	621 Laurel Lake Drive B-	Columbus	North Carolina
Wager	Rupert	B: 4555 Mansell Road S	Alpharetta	GA
Stone	Michael T.	3568 Clouland Dr. N.W.	Atlanta	GA

EDG table

5/16/2007

Zip Code	Phone Number(1)	Phone Number(2)
01721	C:617.233.6767	
02081	H:508.881.0632	B:617.727.0057
02332	H: 508-668-9916	B: 508-668-9180
02882	781-585-2605	
03825	401-782-4422	
06525	H:603.332.2931	603-332-5940
07110	H:203-393-3924	B:203-624-4346
07444 / 33487	H:973.667.5545	
08094	973.839.0202	973.809.9120
08753-4235	H: 856-863-0461	
11731	732-341-1722	
11964	H:631-261-4179	B:631-262-8044
15147-3883	B: 631-749-2020	
15522	412-826-4166	
17013-3532	814-623-7636	
17403	H:717.249.5369	
19096	717-854-8288	
19115	610-642-6473	B:215-204-6686
19145	215-677-2566	
19807	215-686-6834	
20877	H:302-571-0687	B:302-234-8100
21075	301-216-5668	
21078	410-540-9503	B:202-283-4560
27205	410.939.1765	
27360	H: 336-629-4940	B: 336-626-8300
27410	336-472-7138	
27615	336-854-1656	
28270	H:919.976.2537	B:919.676.2533
28339	704-366-3992	
28722	910-897-6722	W:910-897-7132
30022	828-894-5793	
30327	B:770.393.8600	
	H:404-355-4225	B:404-237-3401

EDG table

5/16/2007

Last Name	First Name	Street Address	City	State
Smith	Harlan B.	660 Bittersweet Trail	Atlanta	GA
Szemborski Jr.	Chester C.	3616 Lex Court	Port Orange	FL
Duhon Jr.	Claiborne J.	1759 Marselle Drive	Gulf Breeze	FL
Golden	John Richard	2816 Abingdon Parkway	Vetavia Hills	AL
Thompson	Leon P.	14879 Clovercrest Drive	Huntsville	AL
Haltiner	John C.	320 Willow Bend Drive	Wetumpka	AL
Ward	Larry Eugene	730 Cherokee Court	Murfreesboro	TN
Lake/Trustee	Larry N.	3056 Richmond Hill Driv	Nashville	TN
Alford Jr.	Mack	548 Old Huntsville Road	Fayetteville	TN
Simmons	Dr. James	190 South Grove Park	Memphis	TN
Walker	James A.	505 Highway 322 West	Clarksdale	MS
Kreitzman	John B.	3692 Park Point Drive	Lexington	KY
Nuzum	Gerald A.	6088 Ledgeview Drive	Peninsula	OH
Burke	James E.	402 S. Schriker Avenue	North Judson	IN
Milligan	James L.	204 North Main Street S	Monticello	IN
Otto	Lynn D.	5806 Whiteyville Road	Middleville	MI
Janvis Jr.	James E.	23092 580th Avenue	Ames	IA
Bergstrom	Carl	936 I Avenue	Ogden	IA
Cross	Michael J.	117 1st Avenue N.W. P.	Hampton	IA
Schwendemann	Leroy F.	3176 Oak Avenue	Lehigh	IA
Novak	Richard J.	2144 Mehaffey Bridge R	Solon	IA
Neumann	Roy C.	312 Locust Street	Muscatine	IA
Harpster	Richard G.	W. 399 South 5572 High	Dousman	WI
Koch	Leon W.	2000 Westwood Drive	Wausau	WI
Robinson	Paul H.	123 N. 4th Street Suite 3	La Crosse	WI
Lindholm	Randy S.	4680 Echo Court	Stacy	MIN
Oberg	Rodney	183 Little Canada Road	Little Canada	MIN
Mellang	Gregg C.	8412 Virginia Circle	Bloomington	MIN
Weber	Theodore	801 West State Street	Belleplaine	MIN
Baxter	Leroy W.	70797 State Highway 28	Graceville	MIN
Baxter	Joan M.	70797 State Highway 28	Graceville	MIN
Essler	David A.	1221 Terrace Court	Alexandria	MIN
McQuoid	Terry Patrick	18861 329th Avenue	Isle	MIN

EDG table

Zip Code	Phone Number(1)	Phone Number(2)
30350	H:770-395-1186	
32129	H:386-756-2309	
32563	850-916-7677	
35243	H: 205-967-4672	B: 205-542-7702
35803-2379	H:256-882-1720	
36093	H:334.567.5236	B:334.260.1449
37130	H:901.570.0681	B:901.685.2212
37207	H: 615-227-8627	615-837-5131
37334	931-433-7674	
38117	901-767-9060	
38614	662-624-6492	
40509	H:859.221.0327	B:859.255.9846
44264	H:330.328.6428	330.650.9308
46366	H:574.896.5842	
47960	H:574.583.7201	B:574-583-3087
49333	H:269-795-3634	
50010	515.232.1156	
50212	H:515.275.4084	B:515.846.6201
50441	H:641-456-4255	B:641-456-4192
50557	H:515.547.2889	
52333	H:319.624.2816	
52761	H: 563-263-7813	B: 319-338-7878
53118	262-495-8121	
54401	B:715-842-6172	H:715-803-4146
54601	H: 608-784-5151	B: 608-782-8282
55079	651-462-6022	
55117-1336	651-766-9072	480-654-8159 AZ # TILL
55438	952-941-1030	
56011-1213	952-873-6752	
56240	320-748-7181	
56240	320-748-7181	
56308	H:320-762-2743	Same
56342	320-630-3435	

EDG table

Last Name	First Name	Street Address	City	State
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Zubke	Jerald A.	14574 S.D. Highway 15	Millbank	SD
Holden	John G.	2539 Mountain Lane	Freeport	IL
Phillips	Valerie Corrine	2119 Gentry Street	North Kansas City	MO
Cooprier	Leon	109 S. 6th Street (RR 2	Sayre	OK
OSGOOD	JEFFREY S.	901 MAIN STREET SUIT	DALLAS	TX
GREGORY	JAMES F.	15 NONESUCH ROAD	DALLAS	TX
Adamitis	Kenneth G.	13407 Shady Bay Courts	Sugar Land	TX
Jordan	Clay A.	1616 Rosewood Street	Seguin	TX
Moddrell	Chester L	1308 Stacy Street	San Marcos	TEXAS
Tidwell	Donald R.	1030 Kay Street	Longmont	CO
Rosenthal	Michael Edward	164 Grand View Drive	Warwick	RI
Vanderheide	Hubert	2662 Squaw Valley Road	Prest Lake	ID
Roberts	James A.	3292 East Bengal Blvd.	Salt Lake City	UT
Bracanovich	Andrew G.	3606 N. Kachina Lane	Scottsdale	AZ
Slocum	Stanley B.	14317 N. Sky Trail Drive	Tucson	AZ
Banks	Dr. Leon O.	3655 Homeway Drive	Los Angeles	CA
Yamada	Henry T.	6995 S. Sepulveda Blvd.	Culver City	CA
Jablonski	Richard J.	26722 Hyle Road	Ranchos Palos Verdes	CA
SAAVEDRA	ALFONSO SEAN	P.O. Box 921147	Sylmar	CA
Jenkins	Chris Alan	703 Rancho Los Nogales	Covina	CA
Kolanowski	Bernard F.	7221 Linden Terrace	Carlsbad	CA
ALVARADO	JONATHAN D.	299 EAST LANE	EL CAJON	CA
Mayorga	William H.	8412 Boulder Place	San Diego	CA
Dominguez	David C.	8650 Miramar Road Suit	San Diego	CA
Huang	Scott L.	11 Las Cruces	Irvine	CA
BELCHER	KERRY K.	36 le-mans	Newport Coast	CA
Waymire	Laurence Turner	7 Orlando Court	Laguna Higuell	CA
Wallace Jr.	John R.	787 Tierra Rd.	Nipomo	CA
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Lae	Gerald Alan	81800 Metro Center Blvd.	Foster City	CA
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Burnash	George O.	10541 Malaga Way	Rancho Cordova	CA
HARRIS	KEITH D.	4437 S.W. Melville Aven	Portland	OR
Oster	Randy	48912 284 th Ave SE	Enumclaw	WA
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Sherer	Michael J.	2603 N.E. 87th Street	Seattle	WA
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99403	H:509-758-2565	B:Same
99501	B:907-261-9731	H:907-360-8291

United States District Court
Southern District of New York

-----X
Securities and Exchange Commission,

Plaintiff,

-against-

Empire Development Group LLC,
Empire Development Group Fund I LLC,
Castle Hill Ventures, LLC, Felix Strashnov
a/k/a Felix Straton and Michael Ayngorn,

Defendants.
-----X

Verified Written
Accounting
Empire Development Group Fund
I, LLC

07 Civ. 3896 (PKC)

I, Felix Strashnov, being duly sworn, deposes and says:

1. I am a Managing Partner and a Founder of Empire Development Group, LLC, which is the Managing Member of Empire Development Group Fund I, LLC ("Empire"). As such, I am knowledgeable about Empire's assets, liabilities and general financial condition.
2. Request: All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of such Defendant, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount.

Response:

a. Empire owns the following two properties:

- i. 2359 Royce Street, Brooklyn, New York: approximate investment \$522,000
- ii. 2 Harris Place, Fairlawn, New Jersey: approximate investment \$133,000

- b. Empire had a checking account with JP Morgan Chase Bank, account no. 051-0740324-65, until August of 2006. This account was closed.
- c. Empire has a checking account with Citibank, account no. 9964169100, which has an approximate current balance of \$49.
- d. Empire's liabilities are as follows:
 - i. Rent for Office 1795 Coney Island Avenue, Brooklyn, New York 11230: approximately \$4386 per month
 - ii. Garage: approximately \$450 a month
 - iii. Health Insurance: approximately \$2300 a month
 - iv. Office Equipment and Supplies: approximately \$300 a month
 - v. Salaries: approximately \$15,000 - \$20,000 a month for each of Felix Strashnov and Michael Ayngorn
 - vi. Office Cleaning Service: approximately \$400 a month
 - vii. Automobile Expenses: approximately \$3100 a month
 - viii. Secretary Compensation: approximately \$2000 a month

These monthly expenses are shared with Defendant Empire Development Group, LLC.

3. Request: All money, property, assets and income received by such Defendant for his direct or indirect benefit from any other Defendant, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. Empire did not receive any money, property, assets or income from any of the other Defendants.

4. Request: All money, property, assets and income received by such Defendant for the Defendant's direct or indirect benefit from any investor in, or shareholder of, Castle Hill, EDG, and/or EDGFI, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. Since 2004, Empire and Defendant Empire Development Group, LLC have received approximately \$2,900,000 in total from investors. This has all been spent on the Fairlawn, New Jersey and Brooklyn, New York properties as well as salaries, expenses and working capital.
5. Request: The names, addresses and amount invested by each investor in EDG, EDGFI and Castle Hill from their inception.

Response:

- a. To the best of my knowledge, the names, addresses and amounts invested by Empire's and Defendant Empire Development Group, LLC's investors are attached hereto as Exhibit A.
6. Request: The names and last known addresses of all bailees, debtors and other persons and entities that currently are holding the assets, funds or property of such Defendant.

Response:

- a. There are no persons holding any assets, funds or property on Empire's behalf other than those listed in this accounting.
7. Request: All assets, funds, securities, investments and real or personal property purchased or otherwise obtained by such Defendant, or any other person controlled by them, at any

time from October 1, 2004 through the date of such accounting, and the amount, disposition and current location of each of the items listed.

Response:

- a. Empire has obtained the assets set forth in this accounting during the time period from October 1, 2004 until the present.

8. Request: All assets, funds, securities, investments and real or personal property held by such Defendant, or any other person controlled by them, on behalf of: (i) Castle Hill, EDG and/or EDGFI and/or (ii) investors in, or shareholders of, Castle Hill, EDG and/or EDGFI from October 1, 2004 to the date of the accounting and the disposition of each of the items listed.

Response:

- a. Empire is not holding any other assets, funds, securities, investments or property on behalf of the other Defendants. The assets set forth in this accounting are being held on the behalf of Empire's investors.

9. Request: List of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and the name and number on the account), telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, World Wide Web sites or Universal Records Locators, Internet bulletin board sites, online interactive conversational spaces or chat rooms, Internet or electronic mail service providers, street addresses, postal box numbers, safety deposit boxes, and storage facilities used or maintained by them or under their direct or indirect control, at any time from October 1, 2004 to the present.

Response:

- a. Empire had a checking account with JP Morgan Chase Bank, account no. 051-0740324-65, as set forth elsewhere in this accounting.
- b. Empire has a checking account with Citibank, account no. 9964169100, as set forth elsewhere in this accounting.
- c. To the best of my knowledge, Empire's telephone numbers are 800-918-8711 and 718-252-3220. Empire's facsimile number is 718-252-3211. I believe Empire had some subnumbers, but I do not recall these numbers.
- d. Empire's general email address is Admin@empirefund.com. Empire does not have a pager number.
- e. Empire's World Wide Web address is empirefund.com. To the best of my knowledge, Empire does not have any other Internet sites, online interactive conversational spaces or chat rooms.
- f. Empire's Internet service provider is One Communications. Empire's electronic mail service provider is Yahoo.



FELIX STRASHNOV
Managing Partner

Sworn to before me this
25 day of May 2007


NOTARY PUBLIC

RAJPREET KOCHHAR, Esq
Notary Public, State of New York
No. 02K0611043
Qualified in New York County
Commission Expires July 01, 20 08

June

EXHIBIT A

EDG table

5/16/2007

Last Name	First Name	Street Address	City	State
Jaret	Alec	Brookline	MA	02445
Yovicsin	Thomas J.	83 Arrowhead Circle	Ashland	MA
Fitzgibbon	Robert T.	C/O Proven Data Solutio	Walpole	MA
Carter	George	509 Winterberry Lane	Dubury	MA
Briggs	James R.	94 Carver Lane	Narragansett	RI
Bedford Jr.	Clay P.	557 Route 202 Ayers La	Barrington	NH
Salomon	Dr. Jeffrey	10 Carriage Hill Road	Woodbridge	CT
Imperiale	Peter F.	406 Hillside Avenue	Nutley	NJ
LUTJEN	THEODORE	29 EVANS PLACE / 733	POMPTON PLAINS / B	NJ / FL
Dardaris	Michael P.	1933 Teaberry Avenue	Williamstown	NJ
Kolb	William A.	49 Patricia Drive	Toms River	NJ
Ronde	Richard R.	7 Madsen Lane	East Northport	NY
Hubbard	George W.	55 B. NORTH FERRY R	Shelter Island	NY
Banks	William C.	Longwood at Oakmont, 2	Verona	PA
Valent	William G.	18 Gephart Avenue	Bedford	PA
Howell	James C.	608 Sherwood Drive	Carlisle	PA
PAULES	ROY E.	753 COUNTRY CLUB R	YORK	PA
Dunkelberg	William C.	515 Sabine Circle	Wynnewood	PA
Freedman/Trust	Philip	Plaza Towers 2350 Trem	Philadelphia	PA
Ditoro Jr.	James V.	2845 S. Sydenham Stree	Philadelphia	PA
BIELICKI JR.	JAMES A.	202 HAYSTACK LANE	WILMINGTON	DE
Moore	William H.	436 Russell Avenue	Gaithersburg	MD
Berig	Harvey G.	6921 Scarlet Oak Drive	Elkridge	MD
Ervin	Wilbur S.	1009 Leslie Road	Harve De Grace	MD
Little	Jerry A.	1989 Northmont Drive	Ashboro	NC
Jones	Edward L.	116 Maplewood Avenue	Thomasville	NC
Raynor Jr.	Bruce B.	3916 Watauga Drive	Greensboro	NC
Iisenrich	Dr. Markus	201 Veranda Court	Raleigh	NC
HELMS	THOMAS C.	610 WINGRAVE DRIVE	CHARLOTTTE	NC
Haney	James A.	308 East K Street	Enwin	NC
Evans	Harry	621 Laurel Lake Drive B	Columbus	North Carolina
Wager	Rupert	B. 4555 Mansell Road S	Alpharetta	GA
Stone	Michael T.	3568 Cloudland Dr. N.W.	Atlanta	GA

EDG table

5/16/2007

Zip Code	Phone Number(1)	Phone Number(2)
01721	C:617.233.6767	
02081	H:508.881.0632	B:617.727.0057
02332	H: 508-668-9916	B: 508-668-9180
02882	781-585-2605	
03825	401-782-4422	
06525	H:603.332.2931	603-332-5940
07110	H:203-393-3924	B:203-624-4346
07444 / 33487	H:973.667.5545	
08094	973.839.0202	973.809.9120
08753-4235	H: 856-863-0461	
11731	732-341-1722	
11964	H:631-261-4179	B:631-262-8044
15147-3883	B: 631-749-2020	
15522	412-826-4166	
17013-3532	814-623-7636	
17403	H:717.249.5369	
19096	717-854-8288	
19115	610-642-6473	B:215-204-6686
19145	215-677-2566	
19807	215-686-6834	
20877	H:302-671-0687	B:302-234-8100
21075	301-216-5668	
21078	410-540-9503	B:202-283-4560
27205	410.939.1765	
27360	H: 336-629-4940	B: 336-626-8300
27410	336-472-7138	
27615	336-854-1656	
28270	H:919.976.2537	B:919.676.2533
28339	704-366-3992	
28722	910-897-6722	W:910-897-7132
30022	828-894-5793	
30327	B:770.393.8600	
	H:404-355-4225	B:404-237-3401

EDG table

5/16/2007

Last Name	First Name	Street Address	City	State
Smith	Harlan B.	660 Bittersweet Trail	Atlanta	GA
Szemborski Jr.	Chester C.	3616 Lex Court	Port Orange	FL
Duhon Jr.	Claborne J.	1759 Marselle Drive	Gulf Breeze	FL
Golden	John Richard	2816 Abingdon Parkway	Vetavia Hills	AL
Thompson	Leon P.	14879 Clovercrest Drive	Huntsville	AL
Haltiner	John C.	320 Willow Bend Drive	Wetumpka	AL
Ward	Larry Eugene	730 Cherokee Court	Murfreesboro	TN
Lake/Trustee	Larry N.	3056 Richmond Hill Driv	Nashville	TN
Alford Jr.	Mack	548 Old Huntsville Road	Fayetteville	TN
Simmons	Dr. James	190 South Grove Park	Memphis	TN
Walker	James A.	505 Highway 322 West (Clarksdale	MS
Kreitzman	John B.	3692 Park Point Drive	Lexington	KY
Nuzum	Gerald A.	6088 Ledgeview Drive	Peninsula	OH
Burke	James E.	402 S. Schriker Avenue	North Judson	IN
Milligan	James L.	204 North Main Street S	Monticello	IN
Otto	Lynn D.	5806 Whiteville Road	Middleville	MI
Janis Jr.	James E.	23092 580th Avenue	Ames	IA
Bergstrom	Carl	936 I Avenue	Ogden	IA
Cross	Michael J.	117 1st Avenue N.W. P.	Hampton	IA
Schwendemann	Leroy F.	3176 Oak Avenue	Lehigh	IA
Novak	Richard J.	2144 Mehaffey Bridge R	Solon	IA
Neumann	Roy C.	312 Locust Street	Muscataine	IA
Harpster	Richard G.	W. 399 South 5572 High	Dousman	WI
Koch	Leon W.	2000 Westwood Drive	Mausau	WI
Robinson	Paul H.	123 N. 4th Street Suite 3	La Crosse	WI
Lindholm	Randy S.	4680 Echo Court	Stacy	MIN
Oberg	Rodney	183 Little Canada Road	Little Canada	MIN
Mellang	Gregg C.	8412 Virginia Circle	Bloomington	MIN
Weber	Theodore	801 West State Street	Belleplaine	MIN
Baxter	Leroy W.	70797 State Highway 28	Graceville	MIN
Baxter	Joan M.	70797 State Highway 28	Graceville	MIN
Essler	David A.	1221 Terrace Court	Alexandria	MIN
McQuoid	Terry Patrick	18861 329th Avenue	Isle	MIN

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Zip Code	Phone Number(1)	Phone Number(2)
30350	H: 770-395-1186	
32129	H: 386-756-2309	
32563	850-916-7677	
35243	H: 205-967-4672	B: 205-542-7702
35803-2379	H: 256-882-1720	
36093	H: 334-567-5236	B: 334-260-1449
37130	H: 901-570-0681	B: 901-685-2212
37207	H: 615-227-8627	615-837-5131
37334	931-433-7674	
38117	901-767-9060	
38614	662-624-6492	
40509	H: 859-221-0327	B: 859-255-9846
44264	H: 330-328-6428	330-650-9308
46366	H: 574-896-5842	
47960	H: 574-583-7201	B: 574-583-3087
49333	H: 269-795-3634	
50010	515-232-1156	
50212	H: 515-275-4084	B: 515-846-6201
50441	H: 641-456-4255	B: 641-456-4192
50557	H: 515-547-2889	
52333	H: 319-624-2816	
52761	H: 563-263-7813	B: 319-338-7878
53118	262-495-8121	
54401	B: 715-842-6172	H: 715-803-4146
54601	H: 608-784-5151	B: 608-782-8282
55079	651-462-6022	
55117-1336	651-766-9072	480-654-8159 AZ # TILL
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99501	B:907-261-9731	H:907-360-8291

**United States District Court
Southern District of New York**

-----X
Securities and Exchange Commission,

Plaintiff,

-against-

**Empire Development Group LLC,
Empire Development Group Fund I LLC,
Castle Hill Ventures, LLC, Felix Strashnov
a/k/a Felix Straton and Michael Ayngorn,**

Defendants.
-----X

**Verified Written
Accounting
Castle Hill Ventures, LLC**

07 Civ. 3896 (PKC)

I, Felix Strashnov, being duly sworn, deposes and says:

1. I am a Managing Partner and a Founder of Castle Hill Ventures, LLC ("Castle Hill"). As such, I am knowledgeable about Castle Hill's assets, liabilities and general financial condition.
2. Request: All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of such Defendant, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount.

Response:

- a. To the best of my knowledge, Castle Hill has no assets or liabilities. At one point, Castle Hill did open a checking account with JP Morgan Chase Bank by placing a nominal amount in the account to open it. To the best of my knowledge, the account did not have any activity and was closed.

3. Request: All money, property, assets and income received by such Defendant for his direct or indirect benefit from any other Defendant, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. Castle Hill has not received any money, property, assets or income from any of the other Defendants. In Defendant Empire Development Group Fund I, LLC's' 2004 initial offering, Castle Hill was referred to as the Managing Member.
4. Request: All money, property, assets and income received by such Defendant for the Defendant's direct or indirect benefit from any investor in, or shareholder of, Castle Hill, EDG, and/or EDGFI, at any time from October 1, 2004 through the date of such accounting, describing the amount, disposition and current location of each of the items listed.

Response:

- a. Castle Hill has not received any money, property, assets or income from any of the investors.
5. Request: The names, addresses and amount invested by each investor in EDG, EDGFI and Castle Hill from their inception.

Response:

- a. Castle Hill was the Managing Member of Empire Development Group Fund I, LLC. No investors invested directly into Castle Hill.
6. Request: The names and last known addresses of all bailees, debtors and other persons and entities that currently are holding the assets, funds or property of such Defendant.

Response:

- a. There are no persons holding any assets, funds or property on Castle Hill's behalf.
7. Request: All assets, funds, securities, investments and real or personal property purchased or otherwise obtained by such Defendant, or any other person controlled by them, at any time from October 1, 2004 through the date of such accounting, and the amount, disposition and current location of each of the items listed.

Response:

- a. None.
8. Request: All assets, funds, securities, investments and real or personal property held by such Defendant, or any other person controlled by them, on behalf of: (i) Castle Hill, EDG and/or EDGFI and/or (ii) investors in, or shareholders of, Castle Hill, EDG and/or EDGFI from October 1, 2004 to the date of the accounting and the disposition of each of the items listed.

Response:

- a. None.
9. Request: List of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and the name and number on the account), telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, World Wide Web sites or Universal Records Locators, Internet bulletin board sites, online interactive conversational spaces or chat rooms, Internet or electronic mail service providers, street addresses, postal box numbers, safety deposit boxes, and storage facilities used or maintained by them or under their direct or indirect control, at any time from October 1, 2004 to the present.

Response:

- a. To the best of my knowledge, Castle Hill's telephone numbers are 800-918-8711 and 718-252-3220. I believe Castle Hill had some subnumbers, but I do not recall these numbers.
- b. Castle Hill's facsimile number is 718-252-3211.
- c. To the best of my knowledge, Castle Hill does not have a general email address, nor does not it have a pager number.
- d. To the best of my knowledge, Castle Hill does not have a World Wide Web address, nor any other Internet sites, online interactive conversational spaces or chat rooms.
- e. Castle Hill's Internet service provider is One Communications.
- f. Castle Hill has no storage facilities, postal box numbers or safety deposit boxes in its name.


FELIX STRASHNOV
Managing Partner

Sworn to before me this
___ day of May 2007


NOTARY PUBLIC

RAJPREET KOCHHAR, Esq
Notary Public, State of New York
No. 02K06111043
Qualified in New York County
Commission Expires July 01, 20 08
June

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

Empire Development Group LLC, Empire
Development Group Fund I, Castle Hill Ventures,
Felix Strashnov a/k/a Felix Stratton and Michael
Ayngorn

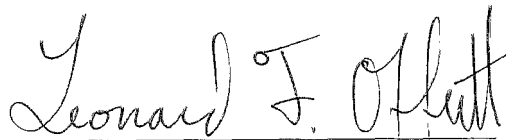
Defendants,

Affidavit of Service
07 Civ. 3896 (PKC)

I, Leonard T. Offutt, declare under penalty of perjury that I have served a copy of each of the attached following documents by facsimile transmission to (212)336-1322 to Plaintiff's counsel, Michael Paley, Esq., Securities and Exchange Commission, 3 World Financial Center, Suite 400, New York, NY 10281 on May 25, 2007:

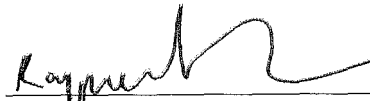
1. Verified Written Accounting of Felix Strashnov;
2. Verified Written Accounting of Michael Ayngorn;
3. Verified Written Accounting of Empire Development Group, LLC
4. Verified Written Accounting of Empire Development Group Fund I, LLC; and
5. Verified Written Accounting of Castle Hill Ventures, LLC.

May 25, 2007
New York, New York



Leonard T. Offutt
42 West 38th Street, 7th Floor
New York, New York 10018

Sworn to me this
25th day of May, 2007


Notary Public

RAJPREET KOCHHAR, Esq.
Notary Public, State of New York
No. 02K06111043
Qualified in New York County
Commission Expires July 01, 2008

